

Decision Making



The story given below is quite interesting and really gives us an insight into **DECISION MAKING.**





A group of children were playing near two railway tracks, one still in use while the other disused. Only **one child** played on the disused track, the rest on the operational track. The train came, and **you were just beside the track interchange**. You could make the train change its course to the disused track and saved most of the kids.

However, that would also mean the lone child playing by the disused track would be **sacrificed**. Or would you rather let the train go its way?

Let's take a pause to think **what kind of decision** we could make.....



Most people might choose to divert the course of the train, and sacrifice only one child. You might think the same way, I guess.

Exactly, I thought the same way initially because to save most of the children at the expense of only one child was **rational decision** most people would make, morally and emotionally. But, have you ever thought that the child choosing to play on the disused track had in fact made the **right decision** to play at a safe place?

On second thought

If the train was diverted, that lone child would definitely die because he never thought the train could come over to that track.

Moreover, that track was not in use probably because it was not safe. If the train was diverted to the track, we could put the lives of all passengers on board at stake! And in your attempt to save a few kids by sacrificing one child, you might end up sacrificing hundreds of people to save these few kids.



While we are all aware that life is full of tough decisions that need to be made, we may not realize that hasty decisions may not always be the right one.

**"Remember that what's right isn't
always popular...
and what's popular isn't always right."**

Decision-making- Definition

- *“The thought process of selecting a logical choice from the available options”.....*
- *"Decision making is the process of identifying and selecting a course of action to solve a specific problem.“.....*

Introduction:

- Decision making is a daily activity for any human being. There is no exception about that. When it comes to business organizations, decision making is a habit and a process as well.
- When trying to make a good decision, a person must weight the positives and negatives of each option, and consider all the alternatives. For effective decision making, a person must be able to forecast the outcome of each option as well, and based on all these items, determine which option is the best for that particular situation.

Steps of Decision Making Process



Step 1: Identification of the purpose of the decision:

- In this step, the problem is thoroughly analyzed. There are a couple of questions one should ask when it comes to identifying the purpose of the decision.
- What exactly is the problem?
- Why the problem should be solved?
- Who are the affected parties of the problem?
- Does the problem have a deadline or a specific timeline?

Step 2: Information gathering:

- A problem of an organization will have many stakeholders. In addition, there can be dozens of factors involved and affected by the problem.
- In the process of solving the problem, you will have to gather as much as information related to the factors and stakeholders involved in the problem. For the process of information gathering, tools such as 'Check Sheets' can be effectively used.

Rope Activity



Step 3: Principles for judging the alternatives:

- In this step, the baseline criteria for judging the alternatives should be set up. When it comes to defining the criteria, organizational goals as well as the corporate culture should be taken into consideration.
- As an example, profit is one of the main concerns in every decision making process. Companies usually do not make decisions that reduce profits, unless it is an exceptional case. Likewise, baseline principles should be identified related to the problem in hand.

Step 4: Brainstorm and analyze the different choices:

- For this step, brainstorming to list down all the ideas is the best option. Before the idea generation step, it is vital to understand the causes of the problem and prioritization of causes.
- For this, you can make use of Cause-and-Effect diagrams and Pareto Chart tool. Cause-and-Effect diagram helps you to identify all possible causes of the problem and Pareto chart helps you to prioritize and identify the causes with highest effect.
- Then, you can move on generating all possible solutions (alternatives) for the problem in hand.

Step 5: Evaluation of alternatives:

- Use your judgment principles and decision-making criteria to evaluate each alternative. In this step, experience and effectiveness of the judgment principles come into play. You need to compare each alternative for their positives and negatives.



Step 6: Select the best alternative:

- Once you go through from Step 1 to Step 5, this step is easy. In addition, the selection of the best alternative is an informed decision since you have already followed a methodology to derive and select the best alternative.

Step 7: Execute the decision:

- Convert your decision into a plan or a sequence of activities. Execute your plan by yourself or with the help of subordinates.

Step 8: Evaluate the results:

- Evaluate the outcome of your decision. See whether there is anything you should learn and then correct in future decision making. This is one of the best practices that will improve your decision-making skills.

Conclusion

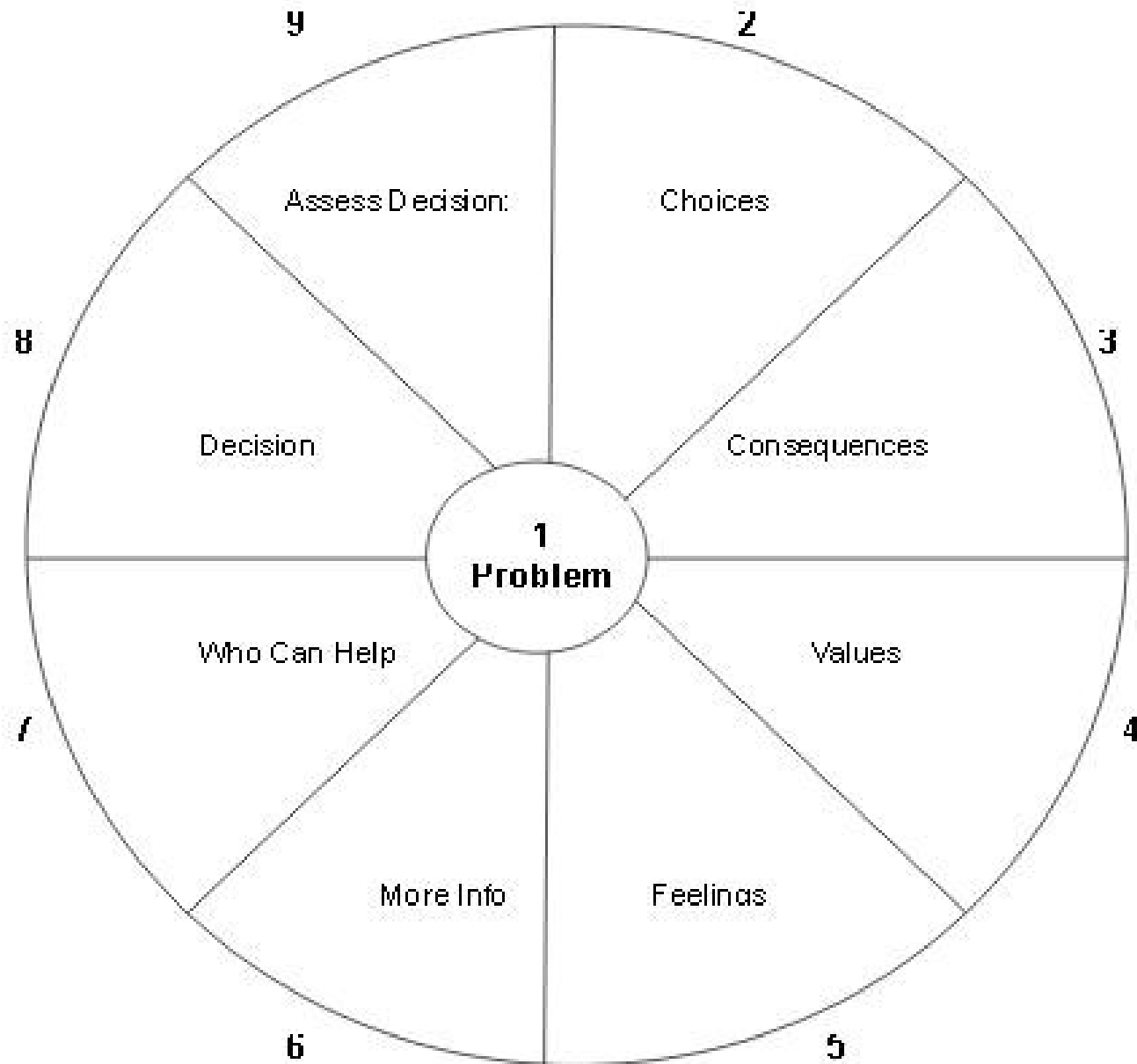
- When it comes to making decisions, one should always weigh the positive and negative business consequences and should favor the positive outcomes.
- This avoids the possible losses to the organization and keeps the company running with a sustained growth. Sometimes, avoiding decision making seems easier; especially, when you get into a lot of confrontation after making the tough decision.
- But, making the decisions and accepting its consequences is the only way to stay in control of your corporate life and time.

Activity :- Decision Making Wheel

- You are at the college campus and everyone is out for the playing game, including the college staff. You have to go the wash room. On the way to the wash room, you pass your class room and notice that there is someone in the room. You stop and peek in out of curiosity. Just as you do, you see one student and also your best friends reach into another student's desk and take something out of it. You quickly move past the door before you are seen. Just after the game is over, the student whose desk you saw your friend reach into, walks up to the principal. A moment later the principal announces that this student's purse and camera has been stolen. What will you do?

Discussion Questions

- 1. What is the problem?
- 2. What are the choices you have?
- 3. What do you think the consequences of these choices will be
- for yourself and others who are involved?
- 4. What values do you need to consider?
- 5. How do you feel about the situation?
- 6. Is there anything else you need to learn about it?
- 7. Do you need to ask for help? Who will you ask?
- 8. What is your decision?
- 9. Do you think you made the right decision? Why?



Importance of Decision-Making in Management

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1. • Better Utilisation of Resources
 2. • Facing Problems and Challenges
 3. • Business Growth
 4. • Achieving Objectives
 5. • Increases Efficiency
 6. • Facilitates Innovation
 7. • Motivates Employees

1. Better Utilization of Resources

- Decision making helps to utilize the available resources for achieving the objectives of the organization. The available resources are the 6 Ms, i.e. Men, Money, Materials, Machines, Methods and Markets. The manager has to make correct decisions for all the 6 Ms. This will result in better utilization of these resources.

2. Facing Problems and Challenges

- Decision making helps the organization to face and tackle new problems and challenges. Quick and correct decisions help to solve problems and to accept new challenges.

3. Business Growth

- Quick and correct decision making results in better utilization of the resources. It helps the organization to face new problems and challenges. It also helps to achieve its objectives. All this results in quick business growth. However, wrong, slow or no decisions can result in losses and industrial sickness.

4. Achieving Objectives

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Poor decision:-



- Poor Decision

5. Increases Efficiency

- Rational decisions help to increase efficiency. Efficiency is the relation between returns and cost. If the returns are high and the cost is low, then there is efficiency and vice versa. Rational decisions result in higher returns at low cost.

6. Facilitate Innovation

- Rational decisions facilitate innovation. This is because it helps to develop new ideas, new products, new process, etc. This results in innovation. Innovation gives a competitive advantage to the organization.

7. Motivates Employees

- Rational decision results in motivation for the employees. This is because the employees are motivated to implement rational decisions. When the rational decisions are implemented the organization makes high profits. Therefore, it can give financial and non-financial benefits to the employees.

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BRAIN TWISTERS



How can you drop a raw egg onto a concrete floor without cracking it?



Concrete floors are very hard to crack!



**If it took eight men ten hours to build a wall,
how long would it take four men to build it?**



No time at all, as it is already built



If you had three apples and four oranges in one hand and four apples and three oranges in the other hand, what would you have?



Very large hands

A decorative header at the top of the slide consisting of several overlapping, wavy lines in various shades of teal and blue, creating a modern, fluid look.

How can you lift an elephant with one hand?



It is not a problem, since you will never find
an elephant with one hand.



How can a man go eight days without sleep?



He sleeps at night.



**If you throw a red stone into the blue sea
what it will become?**



It will get wet or sink.

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What can you never eat for breakfast?



Lunch & Dinner.



Bay of Bengal is in which state?



Liquid



Thank You Future of the nation...
For twisting your Brain

**We look forward to contribute
in your success journey**

